3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-552-833]

Raw Honey from the Socialist Republic of Vietnam: Preliminary Affirmative Determination of Critical Circumstances in the Less-Than-Fair-Value Investigation

AGENCY: Enforcement and Compliance, International Trade Administration, Department of

Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that critical circumstances exist regarding all imports of raw honey from the Socialist Republic of Vietnam (Vietnam).

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. **FOR FURTHER INFORMATION CONTACT:** Jonathan Hill or Paola Aleman Ordaz,

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DC 20230; telephone: (202) 482-3518 or (202) 482-4031, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 23, 2021, Commerce published its preliminary determination in the less-than-fair-value investigation of raw honey from Vietnam.¹ On December 3, 2021, the American Honey Producers Association and the Sioux Honey Association (collectively, the petitioners) filed a timely critical circumstances allegation, pursuant to section 703(e)(1) of the Tariff Act of

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¹ See Raw Honey From the Socialist Republic of Vietnam: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures, 86 FR 66526 (November 23, 2021) (Preliminary Determination).

1930, as amended, (the Act) and 19 CFR 351.206, alleging that critical circumstances exist with respect to imports of raw honey from Vietnam.²

In accordance with 19 CFR 351.206(c)(1), when a critical circumstances allegation is filed 30 days or more before the scheduled date of the final determination, Commerce will issue a preliminary finding whether there is a reasonable basis to believe or suspect that critical circumstances exist. Because the critical circumstances allegation in this case was submitted after the preliminary determination was published, Commerce must issue its preliminary findings of critical circumstances no later than 30 days after the allegation was filed.³

Legal Framework

Section 733(e)(1) of the Act provides that Commerce, upon receipt of a timely allegation of critical circumstances, will determine whether there is a reasonable basis to believe or suspect that: (A)(i) there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales; and (B) there have been massive imports of the subject merchandise over a relatively short period.

Further, 19 CFR 351.206(h)(1) provides that, in determining whether imports of the subject merchandise have been "massive," Commerce normally will examine: (i) the volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. In addition, 19 CFR 351.206(h)(2) provides that, "{i}n general, unless the imports during the 'relatively short period' ... have increased by at least 15 percent over the imports during an immediately preceding period of comparable duration, the Secretary will not consider the imports massive." Section 351.206(i) of Commerce's regulations defines

² See Petitioners' Letter, "Less-Than-Fair-Value Investigation of Raw Honey from the Socialist Republic of Vietnam – Petitioners' Allegation of Critical Circumstances," dated December 3, 2021 (Petitioners' Allegation).

³ See 19 CFR 351.206(c)(2)(ii).

"relatively short period" generally as the period starting on the date the proceeding begins (*i.e.*, the date the petition is filed) and ending at least three months later. This section of the regulations further provides that, if Commerce "finds that importers, or exporters or producers, had reason to believe, at some time prior to the beginning of the proceeding, that a proceeding was likely," then Commerce may consider a period of not less than three months from that earlier time.

Critical Circumstances Allegation

In its allegation, the petitioners claim there is a history of dumping and material injury based on Commerce's issuance of the antidumping duty orders on honey from the People's Republic of China (China) and Argentina, the countervailing duty order on honey from Argentina, and the final results of its expedited third sunset review of the antidumping duty order on honey from China (which remains in place today). Additionally, the petitioners claim that although the scope for the previously mentioned orders was broader as each covered processed honey, the scope of the orders did also cover raw honey which is subject to the scope of the instant investigation. Finally, the petitioners contend that although the antidumping and countervailing duty orders on honey from Argentina were revoked in December 2021, the fact that the orders were in effect for over a decade demonstrates a history of dumping and material injury.

Furthermore, the petitioners state that based on the dumping margins assigned by

Commerce upon initiating its investigation and the *Preliminary Determination* (i.e., 47.56 –

138.23 and 410.93 – 413.99 percent, respectively), importers knew or should have known that imports of raw honey from Vietnam was being sold at less than fair value (LTFV) and there was

⁴ See Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order; Honey From the People's Republic of China, 66 FR63670 (December 10, 2001); see also Notice of Antidumping Duty Order: Honey from Argentina, 66 FR 63672 (December 10, 2001); Notice of Countervailing Duty Order: Honey from Argentina, 66 FR 63673 (December 10, 2001); and Honey from the People's Republic of China: Fin

Honey from Argentina, 66 FR 63673 (December 10, 2001); and Honey from the People's Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order, 83 FR 10432 (March 9, 2018).

⁵ See Honey from Argentina; Final Results of Antidumping and Countervailing Duty Changed Circumstances

reviews; Revocation of Antidumping and Countervailing Duty Orders, 77 FR 77029 (December 31, 2012).

likely material injury. The petitioners further state that these margins exceed the 25 and 15 percent thresholds established for export price (EP) and constructed export price (CEP), respectively.⁶ Additionally, the petitioners also contend that the U.S. International Trade Commission affirmative determination that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of raw honey from Argentina, Brazil, India, Vietnam, and Ukraine is sufficient to impute knowledge of the likelihood of material injury.⁷

Finally, as part of their allegation and pursuant to 19 CFR 351.206(h)(2), the petitioners submitted import statistics for the HTS numbers included in the scope for the period between December 2020 and September 2021 as evidence of massive imports of raw honey from Vietnam during a relatively short period.⁸

Analysis

Commerce's normal practice in determining whether critical circumstances exist pursuant to the statutory criteria has been to examine evidence available to Commerce, such as: (1) the evidence presented in the petitioners' allegation; (2) import statistics released by the International Trade Commission (ITC); and (3) shipment information submitted to Commerce by the respondents selected for individual examination.⁹ Therefore, as further provided below, in

⁶ See, e.g., Final Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances: Small Diameter Graphite Electrodes from the People's Republic of China, 74 FR 2049 (January 14, 2009), and accompanying Issues and Decision Memorandum (IDM) at 42-44 (acknowledging that the existence of dumping margins in excess of 25 percent can indicate importers' knowledge of dumping and the likelihood of resultant material injury); see also Certain Uncoated Paper From Australia: Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination, 80 FR 51783 (August 26, 2015), and accompanying IDM at 15 (stating that the "Department normally considers margins of 25 percent or more for EP sales and 15 percent or more for CEP sales sufficient to impute importer knowledge of sales at LTFV."); and Notice of Final Determination of Sales at Less Than Fair Value and Negative Critical Circumstances Determination: Bottom Mount Combination Refrigerator-Freezers from the Republic of Korea, 77 FR 17413 (March 26, 2012), and accompanying IDM at the "Critical Circumstances" Section ("The final dumping margin calculated for LG exceeds the threshold sufficient to impute knowledge of dumping (i.e., 15 percent for CEP sales, which are the majority of the sales on which the calculation is based).").

⁷ See Raw Honey from Argentina, Brazil, India, Ukraine, and Vietnam, Investigation Nos. 731-TA-1560-1564 (Preliminary), 86 FR 30980 (June 10, 2021) (ITC Preliminary Determination).

⁸ See Petitioners' Allegation at Attachment 1.

⁹ See, e.g., Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances: Circular Welded Carbon Quality Steel Pipe from the People's Republic of China, 73 FR

determining whether the above statutory criteria have been satisfied in this case, we have examined: (1) the evidence presented in Petitioners' Allegation; (2) information obtained since the initiation of this investigation; and (3) the ITC's preliminary injury determination.

Section 733(e)(1)(A)(i) of the Act: History of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise

In determining whether there is a history of dumping pursuant to section 733(e)(1)(A)(i) of the Act, Commerce generally considers current or previous antidumping duty (AD) orders on subject merchandise from the country in question in the United States and current AD orders imposed by another country with regard to imports of the same merchandise. While the petitioners identified such proceedings with respect to Argentine and Chinese honey, the petitioners did not identify, nor are is Commerce aware of, an AD order in any country on raw honey from Vietnam, and there has been no previous U.S. AD order on raw honey from Vietnam. Therefore, Commerce preliminarily finds that there is no history of dumping of the subject merchandise; thus, this criterion is not met.

Section 733(e)(1)(A)(ii): The importer knew or should have known that the exporter was selling at less than fair value and that there was likely to be material injury

In determining whether importers knew or should have known that exporters were selling the subject merchandise at LTFV pursuant section 733(e)(1)(A)(ii) of the Act, we typically consider the magnitude of dumping margins, including dumping margins alleged in the petition.¹¹ Commerce has found dumping margins of 15 percent or more (for CEP sales) to 25

^{31970, 31972-73 (}June 5, 2008); and Final Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances: Small Diameter Graphite Electrodes from the People's Republic of China, 74 FR 2049, 2052-53 (January 14, 2009) (Graphite Electrodes).

¹⁰ See, e.g., Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances: Circular Welded Carbon Quality Steel Pipe from the People's Republic of China, 73 FR 31970, 31972-73 (June 5, 2008); and Final Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances: Small Diameter Graphite Electrodes from the People's Republic of China, 74 FR 2049, 2052-53 (January 14, 2009).

¹¹ See, e.g., Antidumping and Countervailing Duty Investigations of Corrosion-Resistant Steel Products from India, Italy, the People's Republic of China, the Republic of Korea, and Taiwan: Preliminary Determinations of Critical

percent or more (EP sales) to be sufficient for this purpose.¹² For purposes of this investigation, Commerce preliminarily determines that for Ban Me Thuot Honey Bee Joint Stock Company (Ban Me Thuot), Dak Lak Honey Bee Joint Stock Company (DakHoney), eligible separate rate respondent companies in Vietnam, and "Vietnam-wide entity," the preliminary dumping margins exceed the 25 percent threshold for EP sales and, therefore, Commerce further preliminarily determines that the knowledge standard has been met based on the magnitude of the dumping margins.¹³

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Circumstances, 80 FR 68504 (November 5, 2015) (CORE Critical Circumstances Prelim); Certain Corrosion Resistant Steel Products from India: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances, 81 FR 35329 (June 2, 2016) (CORE India Final); Certain Corrosion Resistant Steel Products from Italy: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, in Part, 81 FR 35320 (June 2, 2016) (CORE Italy Final); Certain Corrosion-Resistant Steel Products from the Republic of Korea: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, 81 FR 35303 (June 2, 2016) (CORE Korea Final); Certain Corrosion-Resistant Steel Products from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Final Affirmative Critical Circumstances Determination, in Part. 81 FR 35316 (June 2, 2016); Certain Corrosion-Resistant Steel Products from Taiwan: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, in Part, 81 FR 35313 (June 2, 2016) (CORE Taiwan Final); Countervailing Duty Investigation of Certain Corrosion Resistant Steel Products from the People's Republic of China: Final Affirmative Determination, and Final Affirmative Critical Circumstances Determination, in Part, 81 FR 35308 (June 2, 2016) (CORE China CVD Final); Countervailing Duty Investigation of Certain Corrosion-Resistant Steel Products from Taiwan: Final Negative Countervailing Duty Determination, 81 FR 35299 (June 2, 2016) (CORE Taiwan CVD Final); Countervailing Duty Investigation of Certain Corrosion Resistant Steel Products from Italy: Final Affirmative Determination and Final Affirmative Critical Circumstances, in Part, 81 FR 35326 (June 2, 2016) (CORE Italy CVD Final); Countervailing Duty Investigation of Certain Corrosion-Resistant Steel Products from the Republic of Korea: Final Affirmative Determination, and Final Affirmative Critical Circumstances Determination, in Part, 81 FR 35310 (June 2, 2016) (CORE Korea CVD Final); Notice of Preliminary Determinations of Critical Circumstances: Certain Cold-Rolled Carbon Steel Flat Products from Australia, the People's Republic of China, India, the Republic of Korea, the Netherlands, and the Russian Federation, 67 FR 19157, 19158 (April 18, 2002), unchanged in Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Australia, 67 FR 47509 (July 19, 2002); Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from the People's Republic of China, 67 FR 62107 (October 3, 2002); Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from India, 67 FR 47518 (July 19, 2002); Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Korea, 67 FR 62124 (October 3, 2002); Notice of Final Determination of Sales at Less Than Fair Value and Critical Circumstances: Certain Cold-Rolled Carbon Steel Flat Products from the Netherlands, 67 FR 62112 (October 3, 2002); and Notice of the Final Determination Sales at Less Than Fair Value and Critical Circumstances: Certain Cold-Rolled Carbon Steel Flat Products from the Russian Federation, 67 FR 62121 (October 3, 2002).

 ¹² Id.; see also Preliminary Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China, 62 FR 31972, 31978 (June 11, 1997), unchanged in Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China, 62 FR 61964 (November 20, 1997); and Notice of Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen and Canned Warmwater Shrimp from the Socialist Republic of Vietnam, 69 FR 42672 (July 16, 2004), unchanged in Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp from the Socialist Republic of Vietnam, 69 FR 71005 (December 8, 2004).

¹³ See Preliminary Determination; see also Memorandum, "Less-Than-Fair-Value Investigation of Raw Honey from the Socialist Republic of Vietnam: Calculation of the Dumping Margin for Respondents Not Selected for Individual Examination," dated November 17, 2021.

In determining whether an importer knew or should have known that there was likely to be material injury caused by reason of such imports, Commerce normally will look to the preliminary injury determination of the ITC.¹⁴ If the ITC finds a reasonable indication of present material injury (rather than the threat of injury) to the relevant U.S. industry, Commerce will determine that a reasonable basis exists to impute importer knowledge that material injury is likely by reason of such imports. Here, the ITC found that there is a "reasonable indication" of material injury to the domestic industry because of the imported subject merchandise from Vietnam.¹⁵ Therefore, the ITC's preliminary injury determination is sufficient to impute knowledge to importers of the likelihood of material injury. Thus, Commerce preliminarily determines that importers knew, or should have known, that there was likely to be material injury caused by reason of such imports, pursuant to section 733(e)(1)(A)(ii) of the Act.

Section 733(e)(1)(B): Whether there have been massive imports of the subject merchandise over a relatively short period

Pursuant to section 733(e)(1)(B) of the Act, as well as 19 CFR 351.206(h), Commerce will not consider imports to be massive unless imports during a relatively short period (comparison period) have increased by at least 15 percent over imports in an immediately preceding period of comparable duration (base period). As noted above, the "relatively short period" that we examine to determine whether there have been massive imports normally begins on the date the petition is filed and ends at least three months later. Furthermore, Commerce may consider the comparison period to begin at an earlier time if it finds that importers, exporters, or foreign producers had a reason to believe that proceedings were likely before the

¹⁴ See, e.g., Certain Potassium Phosphate Salts from the People's Republic of China: Preliminary Affirmative Determination of Critical Circumstances in the Antidumping Duty Investigation, 75 FR 24572, 24573 (May 5, 2010), unchanged in Certain Potassium Phosphate Salts from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Termination of Critical Circumstances Inquiry, 75 FR 30377 (June 1, 2010). ¹⁵ See ITC Preliminary Determination.

petition was filed.¹⁶ However, Commerce has previously considered a "relatively short period" beginning with the filing of the petition and ending with the preliminary determination.¹⁷

We typically compare this period (the comparison period) to a period of equal duration immediately prior to the filing of the petition (the base period) to determine whether imports have been "massive" over a relatively short period of time. 18 Commerce typically determines whether or not to include the month in which the petition was filed in the base or comparison period depending on whether the petition was filed in the first half of the month (included in the comparison period) or the second half of the month (included in the base period).¹⁹ In the instant investigation, since the petition was filed on April 21, 2021, we included April in the base period. Therefore, we compared the quantity of Ban Me Thuot's and DakHoney's shipments of subject merchandise to the United States during the period October 2020 through April 2021 to the quantity of its shipments of subject merchandise to the United States from May 2021 through November 2021 to determine whether imports have been massive. This comparison shows that imports over the comparison period have been massive (there has been an increase of 15 percent or more) for Ban Me Thuot and DakHoney. Accordingly, we preliminarily find that there were massive imports of subject merchandise from Ban Me Thuot and DakHoney into the United States over a relatively short period pursuant to section 773(e)(1)(B) of the Act and 19 CFR 351.206(h).²⁰

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¹⁶ See 19 CFR 351.206(i).

¹⁷ See, e.g., Prestressed Concrete Steel Wire Strand from Indonesia: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, in Part, Postponement of Final Determination, and Extension of Provisional Measures, 85 FR 73676 (November 19, 2020). and accompanying PDM; and Notice of Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Affirmative Preliminary Determination of Critical Circumstances: Certain Frozen and Canned Warmwater Shrimp from India, 69 FR 76916 (December 23, 2004).

¹⁹ See, e.g., Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled into Modules from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Affirmative Preliminary Determination of Critical Circumstances, 77 FR 31309, 31312 (May 25, 2012).

²⁰ See Memorandum, "Antidumping Duty Investigation of Raw Honey from Argentina: Preliminary Critical Circumstances Surge Analysis," dated November 17, 2021 (*Critical Circumstances Memo*).

To determine whether there have been massive imports of subject merchandise into the United States over a relatively short period from the eligible separate rate respondent companies in Vietnam and the "Vietnam-wide entity," consistent with Commerce's practice, we compared the quantity of imports into the United States under the Harmonized Tariff Schedule numbers listed in the scope, as reported by Global Trade Atlas, for the same periods noted above (*i.e.*, October 2020 through April 2021 and May 2021 through November 2021) less the quantity of shipments of subject merchandise to the United States reported by Ban Me Thuot and DakHoney for those periods.²¹ Based on this comparison, we preliminarily find that imports of subject merchandise into the United States from the eligible separate rate respondent companies in Vietnam and the "Vietnam-wide entity" increased by more than 15 percent in the comparison period compared to the base period.²² Therefore, we preliminarily find that there were massive imports of subject merchandise from the eligible separate rate respondent companies in Vietnam and the "Vietnam-wide entity" over a relatively short period pursuant to section 773(e)(1)(B) of the Act and 19 CFR 351.206(h).

Preliminary Affirmative Determination of Critical Circumstances

Record evidence indicates that importers of raw honey from Vietnam knew, or should have known, that exporters were selling the merchandise at LTFV, and that there was likely to be material injury by reason of such sales. In addition, we have found that Ban Me Thuot, DakHoney, the eligible separate rate respondent companies in Vietnam, and the "Vietnam-wide entity" had massive imports during a relatively short period. Therefore, in accordance with section 733(e)(1) of the Act, we preliminarily find that there is reason to believe or suspect that critical circumstances exist for imports of the merchandise under consideration from Ban Me

²¹ See CORE Critical Circumstances Prelim; see also CORE India Final; CORE Italy Final; CORE Korea Final; CORE China Final; CORE Taiwan Final; CORE China CVD Final; CORE Taiwan CVD Final; CORE Italy CVD Final; and CORE Korea CVD Final. Commerce notes that it preliminarily determined that the "Vietnam-wide entity" was a cooperating entity. See Preliminary Determination.

²² See Critical Circumstances Memo.

Thuot, DakHoney, the eligible separate rate respondent companies in Vietnam, and the "Vietnam-wide entity." ²³

Suspension of Liquidation

In accordance with section 703(e)(2)(A) of the Act, we are directing the U.S. Customs and Border Protection to suspend liquidation of any unliquidated entries of the merchandise under consideration from Vietnam entered, or withdrawn from warehouse for consumption, on or after August 25, 2021, which is 90 days prior to the date of publication of the *Preliminary Determination* in the *Federal Register*.

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our preliminary affirmative critical circumstances determination.

Public Comment

In the *Preliminary Determination*, Commerce stated that case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance.²⁴ A timeline for the submission of case briefs and written comments on non-scope issues will be announced at a later date. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than seven days after the deadline for case briefs.²⁵ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.²⁶ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this investigation are encouraged to submit

²³ See section 733(f) of the Act; see also 19 CFR 351.206(c)(2)(ii).

²⁴ See Preliminary Determination.

²⁵ See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).

²⁶ See Temporary Rule Modifying AD/CVD Service Requirements Due to COVID–19, 85 FR 17006 (March 26, 2020); and Temporary Rule Modifying AD/CVD Service Requirements Due to COVID–19; Extension of Effective Period, 85 FR 41363 (July 10, 2020).

with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

This determination is published pursuant to sections 733(f) and 777(i) of the Act, and 19 CFR 351.206(c)(2)(ii).

Dated: December 30, 2021.

Ryan Majerus,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

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